

BUDGET AND HUMAN RESOURCES

STRATEGIC ISSUE

With current trends to streamline expenditures and make government more cost effective the need arises to integrate and consolidate employment and training programs. Controlling administrative and overhead costs can often improve the overall cost effectiveness and allow additional staff and funds to be focused on customer services. Missourians are entitled to benefit from efficient and effective utilization of government funds.

DESIRED OUTCOMES

An effective unified budget and cost allocation system must support *One-Stop Career Centers* by allowing for the sharing of resources among agencies providing employment and training services, promote teamwork, improved budgeting and effective program management. To be cost efficient the system must be able to identify duplicated services and provide for the distribution of costs for services jointly delivered.

An effective unified budget and cost allocation system must support the new Division of Workforce Development by meeting existing federal standards for allocating costs, as well as, being approved by the Missouri General Assembly, and the U.S. Department of Labor's Regional Cost Negotiator. The new cost allocation system should provide for budget tracking and reporting to document and analyze costs and outputs.

STRATEGIES

The consolidation of the Division of Job Development and Training, Employment Services from the Division of Employment Security, and related units of the Department of Labor and Industrial Relations into a single Division of Workforce Development will be cost neutral. The priorities to be addressed include: a unified budget, a cost allocation system for implementation at the state level and local One-Stop Career Centers, as well as an accountability system for measuring and tracking financial performance.

The budget submitted to the Missouri General Assembly will reflect the proposed new Division of Workforce Development. The new Division of Workforce Development will include approximately 770 employees and an approximate appropriation level of \$123,000,000. Of this amount, \$70,000,000 is for direct benefits to job seekers and employers.

COST ALLOCATION AT ONE-STOP CAREER CENTERS

A set of guidelines for cost allocation at One-Stop Career Centers should be based on the following principles:

- The sharing of reasonable and allowable costs through an appropriate cost allocation plan for each One-Stop Career Center is necessary for cost effective customer service. This must be done in a manner that is flexible to encourage additional partner participation.

- Each partner must appropriately share in the cost of common space.
- Methods of cost distribution, which will produce an equitable (fair) distribution of cost among the partners, should be used in accordance with OMB circulars, and federal and state guidance. The method should be benefit driven and able to capture tangible and intangible costs for direct and indirect allocation.
- In selecting one cost allocation method over another, consideration should be given to methods which do not require a high level of staff time and effort to administer while able to pass audit on a documented and verifiable cost basis.

Recommended timelines applicable to the One-Stop Career Center cost allocation guidelines are as follows:

- Transitional Status Period-Implementation of a Cost Allocation Plan that includes a Governance Agreement and Resource Sharing Agreement required by July 1, 1999.
- A pilot project using the U.S. Department of Labor Cost Allocation Technical Assistance Guide (TAG) in Missouri is needed. This will entail a limited number of One-Stop Career Centers to pilot the TAG during fiscal year 1999-2000 to prove its value, applicability, and perfect technologies.
- Authorize the remaining One-Stop Career Centers to use the TAG based upon lessons learned from pilot project evaluations as of June 30, 2000.

Missouri will meet the challenges associated with cost allocation at One-Stop Career Centers by providing guidelines for local communities. Successful implementation will demand full cooperation

and participation on the part of all partner agencies. The guidelines will provide enough structure to simplify the development of local plans, while allowing flexibility to meet local needs.

It is essential that all local partners meet and negotiate the plans, taking into account local circumstances. If circumstances dictate the use of other cost allocation methods, consideration will be provided on a case-by-case basis through the Division of Workforce Development.

UNIFIED BUDGET FOR THE DIVISION OF WORKFORCE DEVELOPMENT

To ensure a smooth transition, during the first half of 1999 collaborative decision making will be required regarding workforce development activities. Contractual agreements and memorandums of understanding will be necessary between the Departments of Labor and Industrial Relations and Economic Development during the transition period.

Cost allocation plans for the Departments of Labor and Industrial Relations and Economic Development will need to be filed with the U.S. Department of Labor's Regional Cost Negotiator.

Source of Information: Unified Budget & Cost Allocation Taskforce [Appendix

HUMAN RESOURCES

STRATEGIC ISSUE

Current human resource classifications vary among agencies that provide employment and training services. There is a need for the new Workforce Development System to adopt unified procedures that support all employees.

DESIRED OUTCOMES

An effective human resources program must provide employees with clear and comprehensive job descriptions, impartial job performance appraisals tied to customer based results, a well designed career path, and result in equal pay for equal work. The program must also ensure appropriate staff utilization, provide for effective training, and promote job security and satisfaction.

The human resources program will lead to increased accountability and productivity, higher skilled employees, less management layers, and an increased commitment to teamwork. The program will facilitate the integration of merit and non-merit employees into One-Stop Career Centers.

The human resources program will promote a positive attitude among employees and substantially improve customer service.

STRATEGIES

The consolidation of employment and training programs should necessitate the creation of a new job classification system.

There are now 6 classifications used by the Division of Job Development and Training and 19 classifications used by the Division of Employment Security's Employment Services. These 25 classifications include 15 differing pay ranges. The new series includes 9 classes; 4 technical specialist levels, 4 supervisory levels, and 1 manager level. It is anticipated that the highest supervisory level and the manager classification will be converted to a broadbanded class once broadbanding goes into effect. **[Appendix p. 207]**

The consolidation of these classifications is intended to be as cost neutral as possible and cause minimal impact on the salaries of current employees. Since it is not possible to collapse 25 classifications on 15 pay ranges into 9 classifications on 8 pay ranges and not affect some employees pay range, a transition plan that minimizes any impact is desirable.

The following chart illustrates how current employees should transition into the new division. Many employees will transition to a classification that is at the same pay range as their present classification. The salaries of those employees will not change. For some employees, the new classification will equal one pay range less. Those employees will keep their current salary. Employees moving down in a pay range will freeze until future pay range adjustments are made. Employees whose new classifications equal one or two pay ranges higher than their current classification will be moved to the new classification at their present rate of pay unless an increase is required to get them into the new pay range.

Pay Range	CURRENT CLASSIFICATIONS	NEW CLASSIFICATIONS	Pay Range
34	Assistant Director, E. S. Operations Assistant Director, Field Operations	Management of new Division should determine if positions at this level should be classified or unclassified	34
33			33
32			32
31			31
31 30 30 29 29 29	E. S. Manager V Chief of Programs, E. S. Assistant Director, Manpower Planning Administrative Services Manager, JDT Planning & Research Manager Job Training Program Manager	Workforce Development Manager	30
29			29
28 26	E. S. Manager IV E. S. Manager III	Workforce Development Supervisor IV	28
27 27 25	E. S. Supervisor IV (Program Administrator) Employment Counseling Supervisor Job Training Program Specialist II	Workforce Development Specialist IV	27
26			26
25			25
24 24	E. S. Manager II E. S. Supervisor III (Line Supervisor)	Workforce Development Supervisor III	24
24 22 21	E. S. Supervisor III (Program Administrator) Job Training Program Specialist I E. S. Representative III	Workforce Development Specialist III	23
22			22
22 21	E. S. Manager I E. S. Supervisor II (Line Supervisor)	Workforce Development Supervisor II	21
21 20 19 19	E. S. Supervisor II (Program Administration) Employment Counselor II E. S. Representative II E. S. Supervisor I (Program Administrator)	Workforce Development Specialist II	20
19	E. S. Supervisor I (Line Supervisor)	Workforce Development Supervisor I	19
18			18
16 17 17 16 16	E. S. Technician E. S. Representative I Employment Counselor I Disabled Veterans Representative Veterans Employment Representative	Workforce Development Specialist I	17
16			16
15			15
14	E. S. Deputy	Workforce Development Deputy	14

Note: There are a number of positions that are currently allocated to a common classification, such as Clerk Typist, Account Clerk, and Research Analyst, that will be transferred to the Division of Workforce Development. These employees will be transitioned to the Division of Workforce Development in the same classification.

The following information corresponds with the previous chart as to the duties and responsibilities for the job classifications of the Division of Workforce Development.

WORKFORCE DEVELOPMENT MANAGER – RANGE 30

This is administrative and managerial work that involves the direction of a workforce development section or unit.

This level of work is currently being performed by Employment Security Manager V's, Chief of Programs, E.S., Administrative Service Manager, JD&T, Planning and Research Manager and Job Training Program Managers.

WORKFORCE DEVELOPMENT SUPERVISOR IV – RANGE 28

This is administrative and supervisory work managing a large local office. Positions at this level would normally be responsible for more than twenty-six staff.

This level of work is currently being performed by Employment Security Manager IV's and some Employment Security Manager III's.

WORKFORCE DEVELOPMENT SPECIALIST IV – RANGE 27

This is administrative-level work, which involves program administration, assistance and / or monitoring of large, complex statewide programs.

This would include duties currently performed by Job Training Program Specialist II's and Employment Service Supervisor IV's in the central office. This level could include some supervisory duties. The emphasis of the work is technical.

WORKFORCE DEVELOPMENT SUPERVISOR III – RANGE 24

This is supervisory and/or administrative work in managing a medium-size local office or providing supervision to line staff in a large local office.

This work is currently being performed by Employment Security Manager II's and Employment Service Supervisor III's. Positions at this level would normally supervise, directly or indirectly, between fifteen and twenty-five subordinates.

WORKFORCE DEVELOPMENT SPECIALIST III – RANGE 23

This is advanced work in performing duties related to workforce development programs administration, assistance and / or monitoring. Positions at this level could be responsible for administration / monitoring of programs that are smaller in scope and complexity.

Work at this level is currently being performed by Job Training Program Specialist I's and Employment Service Supervisor III's in program operations.

WORKFORCE DEVELOPMENT SUPERVISOR II – RANGE 21

This is second-level supervisory work, normally at the local office level. Positions at this level could be in charge of a small local office (or branch office) or could perform line supervision of staff in a larger office. The number of subordinates supervised at this level would normally be between eight and fourteen.

This work is currently being performed by Employment Service Supervisor II's and Employment Security Manager I's.

WORKFORCE DEVELOPMENT SPECIALIST II – RANGE 20

This is a journey-level classification that performs basic duties related to workforce development program administration, assistance and / or monitoring.

This work is currently being done by Employment Counselor II's and Employer Service Representative II's.

WORKFORCE DEVELOPMENT SUPERVISOR I – RANGE 19

This is first-line supervisory work that would normally be found at the local office level. An employee in this class would normally supervise fewer than eight subordinates.

This work is currently being performed by Employment Service Supervisor I's.

WORKFORCE DEVELOPMENT SPECIALIST I – RANGE 17

This is a professional/technical-level classification.

Performs duties which are currently being done by Employment Service Technicians, Disabled Veterans Representatives, Veterans Employment Representatives, Employment Counselor I's and Employer Service Representative I's.

WORKFORCE DEVELOPMENT DEPUTY – RANGE 14

This class is a revision of the current E.S. Deputy class and includes duties performed by those individuals.

EMPLOYEE PERFORMANCE MANAGEMENT

The Missouri Division of Personnel's Performance Management System should be implemented, but customized to match the needs of the new Division's workforce. Because the system requires continuous communication between staff and their supervisors the performance management system should create a team-working environment which will enhance performance and customer satisfaction. The performance management system will be well suited to helping the new Division staff achieve the goals of the strategic plan and meet the performance requirements of the Workforce Investment Act of 1998.

The Performance Management System should be customized to match the strategic plan, organizational structure, work units or teams, and most importantly the individual employee. The best advice from Missouri Division of Personnel staff responsible for statewide implementation of the new performance management system is as follows. Any performance management system should not be implemented until after the new division has developed a mission statement, strategic plan, organizational structure, and well-defined and cohesive work units.

The Performance Management System should be started at the state level in Jefferson City with one or two pilot work units or sections. However, at the same time a team of central and local office staff should begin the process of developing a "blueprint" of the performance management system to be customized by the staff at

each local office. Then the system should be expanded to the next largest work units or offices at the local level and continued until completed.

The recommended timetable to implement the Performance Management System, based upon the experience and advice of the Division of Personnel staff, is as follows. The entire Division will need at least two and more likely three years to implement the new System. The timeframe is based upon the recommendations of staff who have participated in this new System on a pilot basis. More important, management and staff will be going through a transition that involves the blending of different workplace cultures while simultaneously adapting to the new federal Workforce Investment Act and the reform of welfare in Missouri. The new Division leadership should commit to extraordinary effort and sufficient resources to implement a new performance management system.

An employee evaluation system has been designed to create an employee performance management system that facilitates continuous communication and improvement in specific staff responsibilities that are linked to the work unit or team's function and the strategic plan of the Division of Workforce Development. The new System is an opportunity to connect one's work with a more current way of doing business. Because the employee evaluation system requires continuous communication between employees and their supervisors at all levels, the Performance Management System will create a team working environment which will enhance performance and customer satisfaction.

Source of Information: Human Resources Taskforce [Appendix p. 209] and the Workforce Development Transition Team